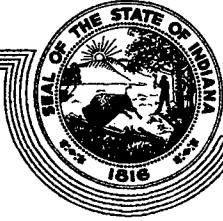


STATE OF INDIANA

ORIGINAL
MAY 15, 2007



INDIANA UTILITY REGULATORY COMMISSION
302 W. WASHINGTON STREET, SUITE E-306
INDIANAPOLIS, INDIANA 46204-2764

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MEMORANDUM

TO: Commissioners Hardy, Golc, Landis, Server and Ziegner

FROM: Jerry L. Webb, Director of Water/Sewer Division *Jerry L. Webb*

DATE: May 10, 2007

RE: Utility Articles for Next Conference

The following Final Article A and Preliminary Articles A are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after May 15, 2007.

JLW/ld

"A" Final

The following miscellaneous item(s) will be eligible for final consideration at the next Commission Conference and based upon review by staff members of the Commission, I recommend approval.

1. Northern Indiana Fuel & Light Co., Inc. (NIFL)

The Utility proposes to modify its existing tariff to specifically state that public school corporations are eligible for natural gas transportation service. Schools are currently eligible to receive transportation service under "Large General Service Transportation Rate No. 3-T" although this is not specifically stated in the tariff language. NIFL is proposing to clarify the tariff language in order to ensure compliance with Indiana Code 21-10-2-1.

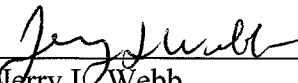
The following tariff sheets have been modified by this filing:

- Large General Service Transportation Rate No. 3-T, Page 1 of 2
- Large General Service Transportation Rate No. 3-T, Page 2 of 2

ORIGINAL

MAY 15, 2007

Please indicate your consideration and action of the preceding items on the appropriate lines provided below.



Jerry L. Webb

Director of Water/Sewer Division

I approve of all items as presented above

I approve of all items as presented above except

Not participating in the following items

I, _____, Disapprove Items

No.

I, _____, Wish to Defer Items

No.

I hereby certify that the above is a true and correct copy of the action on the articles.

Brenda A. Howe
Secretary to the Commission

"A" Preliminary

The following new miscellaneous items have been reviewed by staff members of the Commission and we recommend accepting them for filing.

1. Duke Energy Indiana, Inc.

Duke Energy Indiana seeks approval of a change in its Standard Contract Rider 63, Emission Allowance Adjustment, in accordance with Commission Order in Cause No. 42359, dated May 18, 2004. This Order reaffirmed Duke Energy Indiana's authorization to recover SO₂ and NO_x emission allowance costs via Standard Contract Rider No. 63. Additionally, in Cause No. 42718, dated May 24, 2006, the Commission approved an amendment to Duke Energy Indiana's Standard Contract Rider 63, authorizing recovery of mercury emissions (Hg) allowance costs.

The proposed emission allowance charge factor is \$0.001756 per kilowatt-hour and is applicable to all retail electric rate schedules for the months of July, August, and September 2007. The proposed factor will be effective the later of the date of Commission approval or the first billing cycle of July 2007. This factor includes the emission allowance cost variance of \$3,343,950 from December 2006 through February 2007.

The tariff sheet affected by this filing is:

- Standard Contract Rider No. 63

2. Indiana Gas Company d/b/a Vectren Energy Delivery of Indiana "Vectren North"

The utility is proposing to reference the Universal Service Fund Rider (Appendix G), Normal Temperature Adjustment (Appendix B), and the Energy Efficiency Rider (Appendix I) to various rate schedules on its tariff. These Appendices have been approved and are being charged currently, but they are not referenced in the various schedules. The utility proposes to add Appendix G to Rate Schedules 210, 211, 220, 229, 240, 245, 260, and 270. It proposes to add Appendix B to Rate Schedules 210 and 220. And the utility proposes to add Appendix I to Rate Schedules 210, 220, and 225.

The tariff pages affected by this filing are:

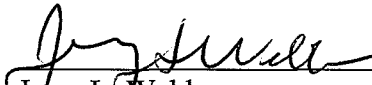
- Third Substitute Ninth Revised Sheet No. 2 (pages 1-3)
- Original Sheet No. 10 (page 1 of 1)
- Original Sheet No. 11 (page 1 of 1)
- Original Sheet No. 12 (pages 1-2)
- Original Sheet No. 13 (pages 1-2)
- Substitute Original Sheet No. 14 (pages 1-3)
- Original Sheet No. 15 (pages 1-2)
- Original Sheet No. 16 (pages 1-2)
- Original Sheet No. 17 (pages 1-2)
- Original Sheet No. 18 (pages 1-3)
- Original Sheet No. 19 (pages 1-10)

3. Southern Indiana Gas and Electric Company (Electric)

The utility requests approval to update tariff language in Appendices E, F, G, and H to more clearly correlate the Energy Charge to the language for Rate HLF. Footnotes have been added to make Appendices E, F, G, and H consistent with how Rate HLF is currently being billed.

The tariff sheets affected by this filing are:

- Sheet No. 64 – Appendix E
- Sheet No. 65 – Appendix F
- Sheet No. 66 – Appendix G
- Sheet No. 67 – Appendix H



Jerry L. Webb
Director of Water/Sewer Division